

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2013

Docket No. ACR2013

CHAIRMAN'S INFORMATION REQUEST NO. 7

(Issued February 14, 2014)

To clarify the basis of the Postal Service's estimates in its FY 2013 Annual Compliance Report (ACR), filed December 27, 2013, the Postal Service is requested to provide written responses to the following questions. Answers should be provided to individual questions as soon as they are developed, but no later than February 24, 2014.

**General**

1. The FY 2013 Comprehensive Statement on Postal Operations, at page 54 and the FY 2013 Form 10-K statement at pages 43-44 discuss total factor productivity. Please provide all supporting workpapers for the FY 2013 Total Factor Productivity.
2. In response to CHIR No. 1, question 2, the Postal Service identified the data source used to prepare the workhour measurements as shown in the Form 10-K statement at page 30 as the National Workhour Report. Please provide this report, and all supporting workpapers, for the workhour measurements by Labor Distribution Code (LDC) for FY 2013 and FY 2012.
3. As part of its Annual Compliance Determination, the Commission produces Appendix A, which is an empirical review of the price cap calculations using both a backward-weighted index and a forward-weighted index. In conducting this review, the Commission uses historical volume data to calculate the change in

rates across various time periods. On January 22, 2012, the Postal Service implemented the market dominant rate adjustments approved in Docket No. R2012-3. As part of that docket, the Postal Service made numerous classification changes. The following questions inquire as to the availability of data concerning volumes of mail affected by some of those classification changes.

- a. In the First-Class Presort Letters/Postcards product, the Postal Service changed the first weight increment from one to two ounces. See Order No. 987 at 14-17.
  - i. Please provide, by quarter, the last three quarters of FY 2012 and the first quarter of FY 2013, the volume of First-Class Presort Letters and First-Class Presort Postcards by ounce.
  - ii. Has the Postal Service performed an analysis of how the volume of First-Class Presort Letters and First-Class Presort Postcards containing more than one ounce changed following the classification change? If so, please provide this analysis, by quarter.
- b. In the Special Services Class, the Postal Service made a number of classification changes. See Order No. 987 at 47-50.
  - i. The Postal Service exempted qualifying Full-Service Intelligent Mail barcode pieces from mailing fees for First-Class Package Service and Parcel Select Lightweight matter entered at a DDU, DSCF or a DNDC location. Please provide, by quarter, the last three quarters of FY 2012 and the first quarter of FY 2013, the number of pieces that qualified for an exemption from mailing fees.

- ii. The Postal Service exempted orders consisting solely of stamped cards with a printed return address from paying the Stamp Fulfillment Services fee. Please provide, by quarter, the number of orders that qualified for an exemption from mailing fees.

**Fees**

4. In Docket No. ACR 2012, in response to CHIR No. 1, question 10, the Postal Service provided a table showing the distribution of FY 2012 mailing fees for market dominant mail categories. Please provide the FY 2013 market dominant mail fees distributed to the list of mail categories shown in Excel file CHIR\_No.7\_Attachement\_A.xls, worksheet “MD Distribution.” In doing so, please provide all underlying calculations and source workpapers.
5. In Docket No. ACR 2012, in response to CHIR No. 1, question 11, the Postal Service provided a table showing the distribution of FY 2012 mailing fees for competitive mail. Please provide the FY 2013 competitive mailing fees distributed to the list of mail categories provided in the Excel file CHIR\_No.7.Attachement\_A.xls, worksheet “Competitive Distribution.” In doing so, please provide all underlying calculation and source workpapers.

By the Chairman.

Ruth Y. Goldway